

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL**

1. TRANSMITTAL NUMBER:

2004-004

2. STATE

ARKANSAS

FOR: HEALTH CARE FINANCING ADMINISTRATION3. PROGRAM IDENTIFICATION: TITLE XIX OF THE
SOCIAL SECURITY ACT (MEDICAID)TO: REGIONAL ADMINISTRATOR
HEALTH CARE FINANCING ADMINISTRATION
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE

October 15, 2004

5. TYPE OF PLAN MATERIAL (Check One):

☐ NEW STATE PLAN☐ AMENDMENT TO BE CONSIDERED AS NEW PLAN☒ AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION:

42 CFR 447, Subpart I

7. FEDERAL BUDGET IMPACT:

a. FFY 2005 \$ 7,901,562

b. FFY 2006 \$38,190,885

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

Attachment 3.1-A, Page 5aaa
Attachment 3.1-A, Page 5aa
Attachment 3.1-B, Page 4h
Attachment 3.1-B, Page 4i9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION
OR ATTACHMENT (If Applicable):None, New Page
Same, Approved 09/22/92, TN 91-35
Same, Approved 09/22/92, TN 91-35
Same, Approved 12/4/92, TN 91-59

10. SUBJECT OF AMENDMENT:

Evidence-Based Preferred Drug List

11. GOVERNOR'S REVIEW (Check One):

☒ GOVERNOR'S OFFICE REPORTED NO COMMENT☐ OTHER, AS SPECIFIED:☐ COMMENTS OF GOVERNOR'S OFFICE ENCLOSED☐ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

12. SIGNATURE OF STATE AGENCY OFFICIAL:

13. TYPED NAME:

Mike R. Jeffus

14. TITLE:

Director, Division of Medical Services

15. DATE SUBMITTED:

August 26, 2004

16. RETURN TO:

Division of Medical Services
PO Box 1437, Slot S295
Little Rock, AR 72203-1437

Attention: Carolyn Patrick

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED:

31 AUGUST 2004

18. DATE APPROVED:

23 NOVEMBER 2004

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:

15 OCTOBER 2004

20. SIGNATURE OF REGIONAL OFFICIAL:

21. TYPED NAME:

ANDREW A. FREDRICKSON

22. TITLE: ASSOCIATE REGIONAL ADMINISTRATOR
DIV OF MEDICAID & CHILDREN'S HEALTH

23. REMARKS:

* Pen + Ink Change including approval of additional pages per states
e-mail dated 11/16/04.

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT
MEDICAL ASSISTANCE PROGRAM
STATE ARKANSAS

ATTACHMENT 3.1-B
Page 4i

AMOUNT, DURATION AND SCOPE OF
SERVICES PROVIDED

Revised: October 15, 2004

MEDICALLY NEEDY

12. Prescribed drugs, dentures and prosthetic devices; and eyeglasses prescribed by a physician skilled in diseases of the eye or by an optometrist (Continued)

a. Prescribed Drugs (continued)

Prior authorization will be established for certain drug classes, particular drugs or medically accepted indication for uses and doses.

The state will appoint a Pharmaceutical and Therapeutic Committee or utilize the drug utilization review committee in accordance with Federal law.

When a pharmacist receives a prescription for a brand or trade name drug, and dispenses an innovator multisource drug that is subject to the Federal Upper Limits (FULs), the innovator multisource drug must be priced at or below the FUL or the prescription hand annotated by the prescriber "Brand Medically Necessary". Only innovator multisource drugs that are subject to the Federal Upper Limit at 42 CFR 447.332(a) and dispensed on or after July 1, 1991, are subject to the provisions of Section **1903(i)(10)(B)** of the Social Security Act.

For drugs listed on the Arkansas Medicaid Generic Upper Limit List, the upper limit price will not apply if the prescribing physician certifies in writing that a brand name drug is medically necessary.

The Arkansas Medicaid Generic Upper Limit List is comprised of State generic upper limits on specific multisource drug products and CMS identified generic upper limits on multisource drug products.

b. Dentures

Refer to Attachment 3.1-B Item 4.b(7) for coverage of dentures for Child Health Services (EPSDT) recipients.

STATE <u>Arkansas</u>	A
DATE REC'D <u>8-31-04</u>	
DATE APPV'D <u>11-23-04</u>	
DATE EFF <u>10-15-04</u>	
HCFA 179 <u>04-04</u>	

91-35

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT
MEDICAL ASSISTANCE PROGRAM
STATE ARKANSAS

ATTACHMENT 3.1-B
Page 4h

AMOUNT, DURATION AND SCOPE OF
SERVICES PROVIDED

Revised: October 15, 2004

MEDICALLY NEEDY

12. Prescribed drugs, dentures and prosthetic devices; and eyeglasses prescribed by a physician skilled in diseases of the eye or by an optometrist (Continued)

a. Prescribed Drugs (continued)

- (4) The state is in compliance with section 1927 of the Social Security Act. The state will cover drugs of Federal rebate participating manufacturers. The state is in compliance with reporting requirements for utilization and restrictions to coverage. Pharmaceutical manufacturers can audit utilization data.

The state will be negotiating supplemental rebates in the Medicaid program in addition to the Federal rebates provided for in Title XIX. Rebate agreements between the state and pharmaceutical manufacturer(s) will be separate from the Federal rebates.

A rebate agreement between the state and a participating drug manufacturer for drugs provided to the Medicaid program, submitted to CMS on November 16, 2004, and entitled, State of Arkansas Supplemental Rebate Agreement, has been authorized by CMS. Any additional versions of rebate agreements negotiated between the state and manufacturer(s) after November 16, 2004, will be submitted to CMS for authorization.

Supplemental rebates received by the State in excess of those required under the National Drug Rebate Agreement will be shared with the Federal government on the same percentage basis as applied under the national rebate agreement.

All drugs covered by the program, irrespective of a supplemental rebate agreement, will comply with the provisions of the national drug rebate agreement.

The supplemental rebate program does not establish a drug formulary within the meaning of 1927(d)(4) of the Social Security Act.

The unit rebate amount is confidential and cannot be disclosed for purposes other than rebate invoicing and verification, in accordance with Section 1927(b)(3)(D) of the Social Security Act.

- (5) Pursuant to 42 U.S.C. Section 1396r-8 the state is establishing a preferred drug list with prior authorization for drugs not included on the preferred drug list. Prior authorization will be provided within a 24-hour turn-around from receipt of request and a 72-hour supply of drugs in emergency situations.

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MEDICAL ASSISTANCE PROGRAM
STATE ARKANSAS

ATTACHMENT 3.1-A
Page 5aa

AMOUNT, DURATION AND SCOPE OF
SERVICES PROVIDED

Revised: October 15, 2004

CATEGORICALLY NEEDY

12. Prescribed drugs, dentures and prosthetic devices; and eyeglasses prescribed by a physician skilled in diseases of the eye or by an optometrist (Continued)

a. Prescribed Drugs (continued)

- (4) The state is in compliance with section 1927 of the Social Security Act. The state will cover drugs of Federal rebate participating manufacturers. The state is in compliance with reporting requirements for utilization and restrictions to coverage. Pharmaceutical manufacturers can audit utilization data.

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AMOUNT, DURATION AND SCOPE OF
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October 15, 2004

CATEGORICALLY NEEDY

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SUPERSEDES: NONE - NEW PAGE

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